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Why Don't the American People Have A Right to Know?

Minority Party Again Assails Exposure of IRS Abuse

"This is an effort to sensationalize a campaign ... I think to a certain extent these hearings are staged, and they're staged to maximize the sensationalist approach. . . . For whatever reason, and we know the reason, pure politics, Republicans have held back passing the law so they can continue to sensationalize the issue."

[Senate Minority Leader Tom Daschle, press conference, 4/30/98]

Through arduous, painstaking work, the Senate Finance Committee led by Chairman Roth has uncovered over the course of 13 hearings, 8 of them specifically on oversight, abuses by the Internal Revenue Service that have shocked the nation. These hearings have revealed episodes of virtually every abuse imaginable of taxpayers, public servants, and of the public trust.

To Americans these incidents of flagrant, unbridled abuse of government authority must seem alien for our nation, as they learned of the horrific incidents which until now, were known only to the victims who had been forced by their abusers to endure them in silence and anonymity. They have made a deep and lasting impression on all who have heard them and they will lead to the strongest, most detailed reform of the IRS since its inception.

Yet some in this Congress want to make a far different impression on the American people: they want, for their own partisan reasons, to chalk this hearing up to sensationalism, and politics. In response, on the reverse side, are summaries of just a few of the incidents these hearings have uncovered. They raise questions for those cynically questioning the purpose of these hearings:

- ▶ Which of the hearings should have been canceled?
- ▶ What taxpayer or IRS employee's story shouldn't have been told?
- ▶ What reform in the bill addressing these abuses shouldn't have been included?

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Taxpayer Horror Stories

1. "A rogue Internal Revenue Service agent tried to frame former Senate majority leader Howard H. Baker Jr. (R-Tenn.) on money-laundering and bribery charges in a bizarre attempt by the agent to advance his career... The witnesses, describing the agency as riven by fear, favoritism and foul-ups, said senior IRS managers in Tennessee then covered up for the rogue agent when the scheme was uncovered by his supervisor and two other IRS workers." (*Washington Post*, May 1, 1998)

2. The IRS carried out an armed raid on John Colaprete's home, though no charges were ever filed, under ludicrous allegations of money laundering, gun running, and drug dealing from a former bookkeeper who had embezzled \$40,000 from his business. (Press Release #105-306, April 28, 1998)

3. William A. Moncrief paid an unnecessary \$23 million settlement to the IRS to save his business which had been raided due to a disgruntled former employee's allegations. (Press Release #105-306, April 28, 1998)

4. During a 33 month investigation of Robert Gardner, the IRS seized his office property, lied to a grand jury, and tried to force his clients to wear hidden microphones. (Press Release #105-306, April 28, 1998)

5. The IRS "lost" the money deposited from Graham Knowland's \$2,600 1996 income tax check, and the agency claims that he is responsible for the "lost" money. (*Boston Globe*, April 7, 1998)

6. "Monsignor Lawrence Ballweg [a Roman Catholic priest]... was unable to get a copy of his tax filing within a reasonable time so that he could respond to the IRS's allegation that he owed thousands of dollars of tax." (Press release #105-179, September 24, 1997)

7. As a result of the IRS' inability to send Katherine Hicks a bill for an out-of-court settlement, she has been subjected to tax liens against her house and levies against her husband's wages, and she has filed for bankruptcy and divorce to escape the IRS. (Press Release #105-179, September 24, 1997)

8. As a result of the IRS' inability to straighten out Nancy Jacobs' husband's employer- identification number, Mrs. Jacobs and her husband were subjected to liens, interest, and penalties for someone else's taxes for 17 years. (Press Release #105-179, September 24, 1997)

9. Tom Savage's company paid \$50,000 in taxes that it did not owe to save itself from the IRS. (Press Release #105-179, September 24, 1997)

10. On April 30, 1998, IRS auditors "described instances of favoritism in tax cases towards wealthy individuals and powerful corporations." (*Congress Daily*, April 30, 1998)